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ABSTRACT

This guide explains the Government Performance and Results Act (GPRA) as it is being implemented by the Department of Education's Office of Higher Education Programs (HEP). It is intended to assist HEP grantees understand the requirements and implications of GPRA, advise them of the benefits resulting from effective planning and performance measurement, and provide a basis for improved collaboration between grantees and the HEP staff. The GPRA requires each agency to provide Congress with the public sector equivalent of a business plan, specifically a strategic plan covering five years, an annual performance plan, and an annual report on program performance. The GPRA differs from previous management reform initiatives in that it uses the federal budget as the vehicle for accountability and it is established by law. Following an introduction, the first section explains the law's background and requirements. The second section covers performance measures, how HEP is organized, and how performance is assessed, including project monitoring, program assessments, and program evaluations. The third section addresses the role of the grantee and includes a glossary and a list of area representatives. (DB)

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DEMONSTRATING RESULTS

An Introduction to the Government Performance and Results Act

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Higher Education Programs
Office of Postsecondary Education
U.S. Department of Education

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Demonstrating Results

An Introduction to the Government Performance and Results Act

Higher Education Programs
Office of Postsecondary Education
U.S. Department of Education

Foreword

We are very pleased to share with you this guide to understanding the Government Performance and Results Act (GPRA). It is perhaps the most far-reaching of the initiatives introduced by President Clinton and Congress to reform the way the Federal government does business. These efforts are all intended to make government more customer-focused, more cost-effective, more service-oriented, and more accountable to the American public.

We in the Office of Higher Education Programs (HEP), and indeed staff within all government agencies, are undertaking a long-term process to change our focus from activities generated and resources expended to results achieved. To do this effectively, we must develop plans to operate more efficiently to achieve our missions, set performance goals for ourselves and our programs, measure how well these goals are achieved, and make the results available to Congress and to our constituents. This is significantly different from the operational focus of the past which measured success merely by the number of grants awarded and the number of students served. To demonstrate and document program effectiveness clearly, we must collaborate throughout the grant cycle on critical activities that are designed to achieve and document the goals for which our programs were established and funded. The Government Performance and Results Act drives this collaboration for accountability.

This booklet is intended to strengthen your understanding of the Act, and to invite dialogue about what our respective roles and expectations are in fulfilling its requirements. It would not have been possible without the leadership of Dr. Lawrence P. Grayson, Director of Program Monitoring and Information Technology, and the assistance of the Center for Strategic Management, Inc. I am especially encouraged, also, by the interest, cooperation and enthusiasm of our other service directors who administer such program areas as TRIO, Title III, and Graduate and International Education. We all have a vested interest in linking the results of our work in the Department and your work in the field to long-term improvements in higher education.

As you use this guide, there will be some questions for which we will not have ready answers, but we'll find them for you! Be sure that we have an unwavering commitment to seeking out the most accurate and comprehensive responses and keeping you well-informed as we all tread these new waters.

Claudio R. Prieto
Deputy Assistant Secretary
Higher Education Programs

Introduction

There is a significant change in the public's attitude toward government. The American public wants a government that is more effective, more efficient, and more accountable to those who support it. This has resulted in a series of reform efforts -- the National Performance Review of 1993 (renamed the National Partnership for Reinventing Government), the Chief Financial Officers Act of 1990, the Government Management Reform Act, the Information Technology Management Reform Act of 1996 (known as the Clinger-Cohen Act), and the 1994 Federal Acquisition Streamlining Act, among others. The most far reaching, however, is the Government Performance and Results Act of 1993 (referred to as GPRA or the Results Act).

The Results Act has the potential to substantially enhance the management and accountability of federal agencies, and to improve the effectiveness of every major program in the federal government. The strength of GPRA lies in the logic of its requirements: federal agencies are to establish agency-wide strategic plans, develop performance goals for their programs, link those plans and goals to their budgets, measure program performance against the goals, and report publicly on the results. These requirements are causing federal agencies to dramatically transform their management approaches, bring improved public accountability for the expenditure of federal funds, and make federal programs more effective in achieving the purposes for which they were enacted.

Although GPRA does not directly address individuals and organizations who receive grants from federal agencies, the only way that the Department of Education and its Office of Higher Education Programs (HEP) can conduct effective programs that meet the expectations of Congress is if HEP and its grantees work toward the same goals.

This booklet was written to assist HEP grantees in understanding the requirements and implications of GPRA, advise them of the benefits that will result from effective planning and performance measurement, and provide a basis for improved collaboration between grantees and the HEP staff.

Background

It is impossible to fully understand the purpose of the Government Performance and Results Act without understanding the environment within which the law was drafted, debated, and enacted with strong bipartisan support.

In his 1996 State of the Union address, President Clinton declared, "The era of big government is over." That declaration signaled the end of a 30-year period in which the federal government expanded its activities to address a broad range of problems. During that period, the federal government regularly spent more than it received in revenue. Since 1982, budget deficits have exceeded $100 billion annually and, on several occasions, have exceeded $200 billion. To finance the deficits, the government borrowed substantial sums to finance these deficits and, as a result, the national debt now exceeds $5 trillion.

The large debt, the need to maintain a balanced budget, and the increasing -- and projected to continue to increase because of an aging population -- costs of entitlement programs (such as Social Security, Medicare and Medicaid) have placed great pressure on the limited amount of money available for non-defense discretionary activities, which include education, energy, housing, public safety, the environment, and scientific research, among others. Discretionary activities account for 17.2% of the federal dollar in FY 1998, down from 23.9% in FY 1980, and are projected to decrease to 15.7% in FY 2003. The declining discretionary portion of the budget has caused Congress to require federal agencies to focus more on improving their performance and demonstrating that they are supporting effective programs that are important to the American people.

The Director of the Office of Management and Budget has stated,

> *This is an era of fiscal limits. Resources are scarce. Not every priority can be met, nor all needs satisfied. Every program must count. So we must ask: Which programs are effective, and which are not?*

> *Which programs are efficient, and which are not?...Budgeting under the regimen of a long-term balanced budget agreement can be seen as a zero-sum game. Within the discretionary spending cap, choices about which programs receive funding increases, remain level funded, or shrink, should increasingly be governed by performance.*[1]

Federal agencies will increasingly be asked to emphasize results as the "bottom line," as all programs will be under more intense scrutiny and greater pressure to make the most of scarce resources. Many government programs could receive less funding each year than was appropriated during the preceding year. Even for the few agencies, like the U.S. Department of Education, that are expected to receive increases, the need to demonstrate program effectiveness is a condition of continued funding.

The intent of Congress was made clear by the Chairman of the Senate Appropriations Committee when he stated,

> *With the Results Act, we can ask other important questions about federal programs, such as what will the program accomplish, what will it cost to accomplish it, how will the results be achieved, and how will the agency monitor the program's effectiveness. If properly implemented, the Results Act can assist Congress in identifying and eliminating duplicate or ineffective programs.*[2]

Ongoing fiscal constraints will cause programs to be increasingly subjected to a cost-benefit analysis, in which programs will be funded if their benefits exceed the cost. Even if a program is desirable, appropriations will be forthcoming only to the extent that positive outcomes can be demonstrated. The Government Performance and Results Act is the tool Congress has established to obtain objective information about program performance that will assist it in making the hard choices on what will be funded and what will not.

[1] Raines, Franklin D., Testimony before the Senate Appropriations and Governmental Affairs Committee, June 24, 1997.

[2] Stevens, Ted (Senate Appropriations Committee Chairman), Statement before the Joint Hearing of the Senate Appropriations Committee and Senate Governmental Affairs Committee on Implementation of the Government Performance and Results Act of 1993, June 24, 1997.

Requirements of GPRA

The Government Performance and Results Act is a straightforward statute that requires all federal agencies to manage their activities with attention to the consequences of those activities. Agencies must state clearly what they intend to accomplish, identify the resources required, and periodically report their progress to the Congress. In doing this, it is expected that the GPRA will contribute to increased accountability for the expenditures of public funds, improve congressional decision-making through more objective information on the effectiveness of federal programs, and promote a new governmental focus on results, service delivery and customer satisfaction.

In the past, agencies justified their budgets with descriptions and enumerations of their activities, such as the numbers of applications received and educational grants awarded, the amount of training provided, or the number of people enrolled in a program. These data are important for the administration of a program, but are not necessarily linked to the program's results. Thus, the important distinctions among the *purpose* of the program, the *activities* it pursues, and the *results* it expects to achieve were lost. Effort was often substituted for results. This is no longer acceptable. Program accountability cannot rest on the number and cost of training classes or the number and timeliness of the grants awarded, but rather must reflect, for example, whether training projects result in more job placements and whether educational grants produce an increase in student achievement and, ultimately, an improved future for America's youth.

The Results Act requires all federal agencies to provide Congress with the public sector equivalent of a business plan. Just as corporations are required to submit business plans to banks and other financial interest-holders, agencies are now required to produce similar documents to be reviewed by agency interest-holders in the Office of Management and Budget (OMB) and the Congress. Specifically, GPRA requires each agency to submit three distinct products:

- A strategic plan covering a period of five years. The first plans were submitted to Congress on September 30, 1997, and are to be updated every three years thereafter.

- An annual performance plan. The first one was submitted to OMB with the FY 1999 budget request, and transmitted to Congress in February 1998. These agency plans formed the basis for a government-wide performance plan, which also was submitted to the Congress in February 1998.

- An annual report on program performance. This is to be provided within six months of the end of a fiscal year, with the first report due by March 31, 2000.

GPRA differs from past management reform initiatives in two ways. First, it uses the federal budget as the vehicle to provide visibility and accountability to the process. By requiring strategic and performance plans to be presented in the context of an agency's annual budget submissions, GPRA is receiving heightened attention and review by executives throughout government.

Second, in contrast to previous reform efforts, which were Administration initiatives, *GPRA is the law*. Among management reform efforts undertaken in this century, only those that have been grounded in statute have remained in force. The Results Act is an amendment to the Budget and Accounting Act of 1921 -- the law that established GAO, OMB and most of the procedures governing the financial management of the federal government.

Strategic Plans

A key element of the Results Act is the requirement for a strategic plan. The law requires each federal agency to develop a five-year strategic plan and to maintain its relevance by revising it at least every three years. The strategic plan sets the general course and direction for what the agency, that is, the Department of Education, will be doing. It is developed from the statutory base of legislation, which states the purpose and intent of

Congress and the President when programs are established and funded. In developing the plan, priorities are assigned, choices are made and commitments are given to what realistically can be accomplished.

The GPRA specifies six distinct elements that are to be contained in each agency's strategic plan:

- A comprehensive mission statement which sets forth the fundamental purpose of the agency. The Department of Education's mission is "to ensure equal access to education and to promote educational excellence throughout the nation."

- General strategic goals and objectives that are results-related and reflect the tangible accomplishments that justify the existence of the agency's programs.

- A description of how the goals and objectives are to be achieved, that is, the strategies to be employed and the resources needed to attain the goals and objectives.

- A description of how the annual performance goals are related to the general goals and objectives of the strategic plan.

- An identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the agency's goals and objectives.

- A description of the program evaluations used in establishing or revising agency goals and objectives with a schedule for future program evaluation.

Not legally mandated, but generally considered to be a critically important part of an effective strategic plan, are a vision statement, which elaborates on the mission by providing the Department leadership's contemporary expression of the mission, and an assessment of the societal conditions, possibly including the economic, social, cultural, demographic, political,

legal, and technological trends, which set the background for the Department's goals and strategies. These two elements, along with the six noted in the statute, play a distinct role in the development of the Department's strategic plan.

As the federal government has a limited role in education and many of the current problems facing higher education are not easily solved, it is important for the Department of Education to be clear on what it can accomplish and the extent to which its efforts can contribute to its improvement. The strategic plan specifies what results the Department will attempt to achieve and how it will go about it within the broader societal context affecting education.

Annual Performance Plans

GPRA requires annual performance plans to be developed for each program activity set forth in the agency budget. The annual performance plan sets specific program goals, identifies resources required to reach the goals, and links the strategic plan to the annual budget by describing the progress that will occur during each fiscal year. It sets out what the public will get for the money requested in terms of results to be expected. While the strategic plan describes the long-term course of the Department, the annual performance plan defines what will be accomplished in any one year on that course.

In addition to performance goals, the annual plan includes performance objectives and performance indicators, which are the means for determining whether the program's goals and objectives are being achieved. The objectives and indicators are expressed in a quantifiable and measurable form that allow a program's accomplishments to be measured.
A performance goal, for example, might be to increase the college enrollment rates of low-income students to more nearly equal those of high-income students. A related performance objective might be to increase the

college enrollment rates of low-income students who receive supplementary academic and counseling services through a specific program by 10% over a five-year period, or 2% annually. Each annual performance plan then would project a 2% per year increase in college enrollment rates. A performance indicator might compare the college enrollment rates for students who receive the services with rates for comparable non-participants.

Annual Performance Reports

The Results Act also requires federal agencies to prepare annual performance reports and to submit them to the President and the Congress within six months after the end of the fiscal year. The purpose of the performance report is to compare actual program results with the performance goals identified in the annual performance plan. Agencies will be asked, beginning in March of 2000, to account for their performance during FY 1999 by relating what was accomplished to what was planned and approved for that year. When goals have not been achieved, agencies will be given the opportunity to explain the reasons why. The program performance report will allow agencies to formally redirect their efforts in light of changing circumstances, thereby providing a mechanism to keep the strategic plan current and relevant.

This clear and simple requirement has the potential to fundamentally change the way many federal agencies conduct their business. The Department will have to be much more precise about its objectives, will be held to a higher standard in the implementation of these goals, and will develop new ways to measure success. The annual performance plan provides the accountability that is the centerpiece of GPRA. The information it provides will allow the Congress and the public to hold the Department's staff and, through them, its grantees to be accountable for the funds that are appropriated by expecting specific levels of performance.

Performance Budgeting

By requiring annual performance plans to be submitted as a part of the agency's budget request, GPRA makes the budget an explicit aspect of the "managing for results" concept. The importance of strategic planning and performance measures is dramatically increased because they are linked to the agency budget process, and thus allow the expenditure of resources to be compared to performance as the means to improve decision making.

Performance Measures

The Results Act distinguishes among several categories of measures that relate to programs and projects. The categories are described in Table 1.

Category	Definition	Examples
Impacts	The degree to which broad social objectives are achieved	Increased competitiveness, enhanced level of education, income of graduates, improved quality of educational institutions
Outcomes	Accomplishment of program objectives attributable to program outputs	Academic performance improvement, students accepted at next level of education, graduates certified as teachers, employer satisfaction
Outputs	The direct result of program activities	Number of students enrolled, targeted students completing training, students applying to next level of education
Activities	The work performed by the grantee that directly produces the core products and services	Amount of training given, counseling provided, conferences held, reports published
Inputs	Resources consumed by the organization	Generally limited to funds and grant years

Table 1: **Categories of Measures**

The various types of measures may be viewed as a hierarchy. The higher one rises on the table, the more difficult it is to obtain data that unambiguously relate to a performance program indicator, but the more important the effect in addressing significant national problems.

Under GPRA, the Department of Education must account for both the activities that arise from its programs, such as grants awarded, loans

processed, or training classes held, and the results that are attributed to those activities, such as a rise in SAT scores, increased college attendance by low-income populations, or enhanced competency in foreign languages. In order to assess the results of its programs, the Department must develop performance measures that focus on the higher levels of measures, namely, output, outcome and impact. These performance measures must: 1) indicate a level of expected results for each program, 2) allow objective information to be gathered regarding the targets, and 3) provide a basis for comparing actual program results with the proposed goals.

The activities supported by its programs, such as the type and amount of training offered, publications distributed, number of counselors involved, hours of activity conducted, or types of students recruited by the grantee, must be linked to the consequences of the activities, such as the extent to which students who receive fellowships to pursue Ph.D.s receive their degrees and are employed in faculty positions after graduation.

Assessing results rather than simply tabulating activities will require fundamental changes in the collection, analysis and reporting of performance information. If the Department is to develop and report on appropriate targets for performance, the data from grantees must be reliable, clear, comprehensible and comparable on some basis. This will not be easy to obtain, nor fully achieved immediately. In some cases, the data that are needed are not now being collected and, in others, the validity and comparability of the data are poor. Each succeeding cycle in this annual process of planning, implementation, and assessment, however, should provide new insights for improving the quality of the data, and as a result a better understanding of the outcomes and impacts of the Department's programs.

How HEP is Organized

The Office of Higher Education Programs is responsible for almost $1.3 billion in program funds, appropriated under 34 separate pieces of legislation. This supports about 3,200 projects located in all parts of the United States. In order to administer these programs effectively, HEP is

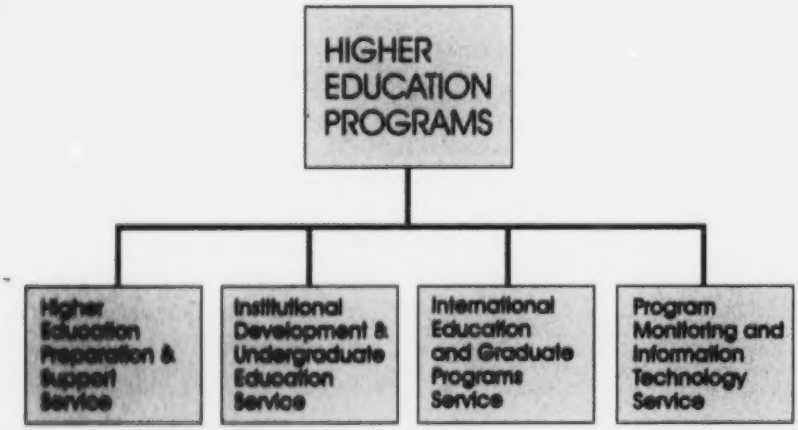
HIGHER EDUCATION PROGRAMS
Higher Education Preparation & Support Service
Institutional Development & Undergraduate Education Service
International Education and Graduate Programs Service
Program Monitoring and Information Technology Service

Figure 1: **HEP Organization**

organized into four Service Areas, as shown in Figure 1.

Three units are responsible for the direct management of the programs. They are:

Higher Education Preparation and Support Service (HEPSS) -- administers the six TRIO programs. Five of the programs are

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designed to serve and assist students from disadvantaged backgrounds to progress through the academic pipeline from middle school to postbaccalaureate programs. These programs are Talent Search, Upward Bound, Student Support Services, Educational Opportunity Centers, and Ronald E. McNair Postbaccalaureate. Achievement. A TRIO Training Program is available for current and future TRIO staff.

Institutional Development and Undergraduate Education Service (IDUES) -- administers four Title III programs designed to help higher education institutions that serve a large portion of disadvantaged students improve their academic programs, administrative and financial capabilities, as well as several undergraduate incentive programs, and manages and collects construction loans made to institutions of higher education.

International Education and Graduate Programs Service (IEGPS) -- administers a series of programs designed to strengthen the capability and performance of American education in foreign languages and in area and international studies, and to improve secondary and postsecondary teaching and research concerning other cultures and languages, training of specialists, and the American public's general understanding of the peoples of other countries, as well as fellowship programs to assist graduate students of superior ability to obtain doctoral or other terminal degrees.

The fourth unit, **Program Monitoring and Information Technology Service (PMIT)**, is charged with supporting the other service areas in gathering, analyzing and reporting information that will aid HEP to improve all of its programs. PMIT has staff members, called Area Representatives, located in various cities throughout the country. These individuals have responsibility for monitoring projects and providing general programmatic advice and technical assistance on all HEP programs. Although Area Representatives work closely with program staff,

they are not substitutes for Program Officers, who have the ultimate responsibility for managing the projects under their stewardship. Being geographically closer to the grantees, however, Area Representatives are often familiar with the specific problems in their regions and generally are more accessible to grantees than the staff in Washington. The eight areas designated for monitoring purposes are shown in Figure 2. The names and address of the Area Representatives are given on pages 27-29 of this booklet.

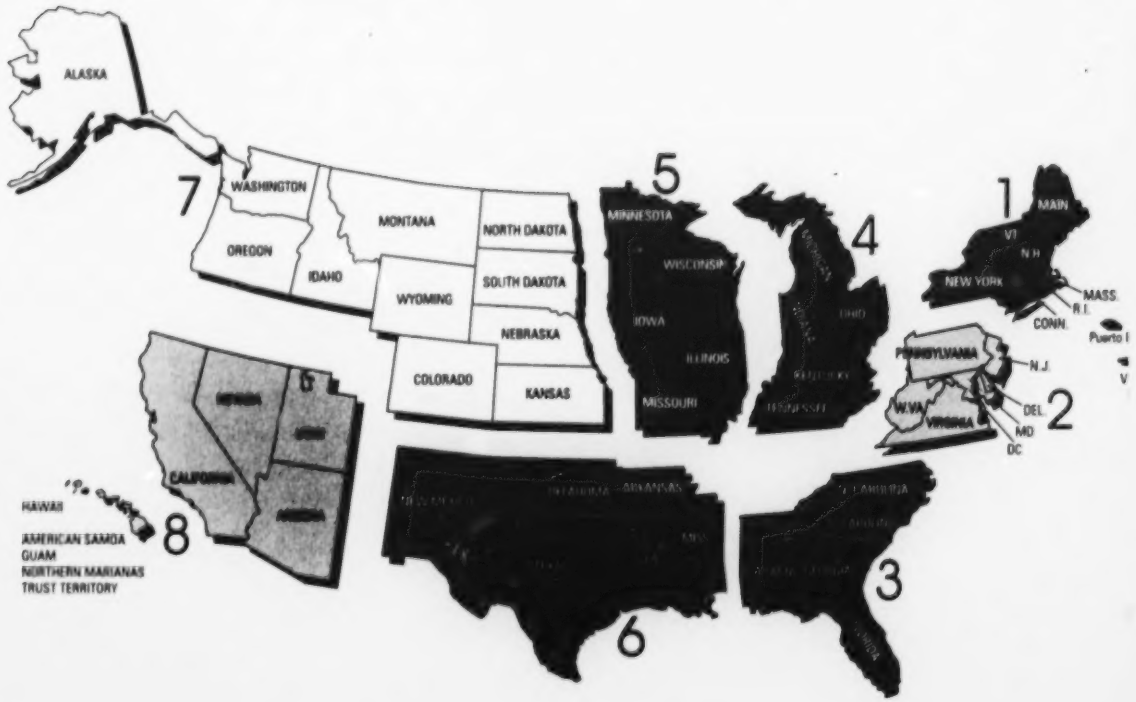

Figure 2: **Geographic Areas for Monitoring**

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Assessment of Performance

Obtaining appropriate information through assessments about the performance of projects and programs is the key to meeting the intent of GPRA. The Act has two purposes. One is to report to the Congress on the results being obtained by the various programs. But, equally important, is the continual improvement of the programs, and the projects they support, to assure that the purposes for which the programs were established and funded are achieved in the best way possible. Program measurement and assessment are the means that lead to the accomplishment of both of these purposes.

Without a special emphasis on program assessments to determine the consequences -- both positive and negative -- of the program, HEP management is limited to anecdotal information to evaluate the effectiveness of programs, identify obstacles to be overcome, modify strategies, and make decisions on allocating resources. The information gained through reliable and continuing assessment allows the program staff to be able to provide more effective technical assistance to the projects to aid them in improving their activities, to demonstrate how well HEP programs are achieving their goals, and for reporting to the Congress and the American people on the benefits attained through the expenditure of public funds.

Higher Education Programs is developing a system of assessments to satisfy these various aims. Through the annual performance reports submitted by the grantees and with regular monitoring site visits, information will be gathered about individual projects that will be used to provide technical assistance to the grantees on ways to improve their activities. This information will be aggregated on a periodic basis to provide state-of-the program reports to the HEP management so that, when needed, modifications can be made to the programs to enhance their effectiveness and report to Congress as required by GPRA. There also will be occasional, long-term evaluations of the programs and their impacts. The relationship of these various sources of information and their uses are illustrated in the Figure 3.

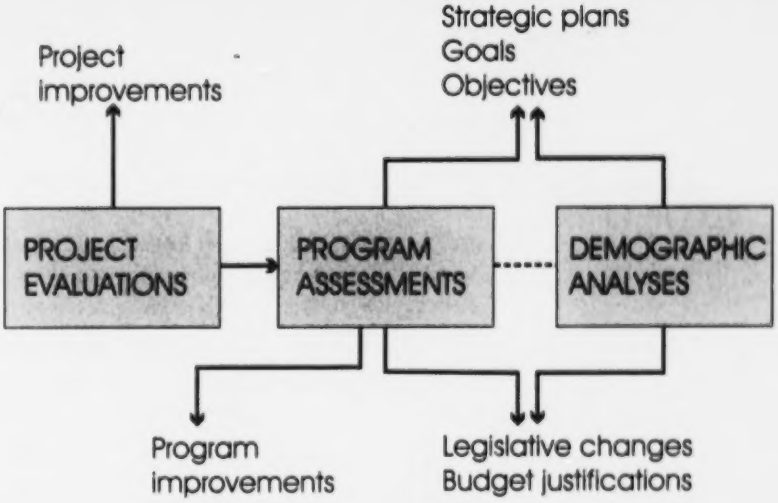

Figure 3: **Uses of Data**

Project Monitoring

The first level of assessment, and the closest to the grantee, is the monitoring of individual projects. Information on the performance of projects is gathered in several ways -- through the use of the original application, specific project objectives, performance agreements between the grantee and HEP, the performance reports that the grantee submits annually to the program staff, and site visits. Information gathered from these sources will be used to determine the effectiveness of individual projects, and to make suggestions or take actions for improvement when warranted.

To a large degree, the success of the overall program is dependent upon the feedback received from grant recipients. No matter how well conceived, financed or managed, the realities of operating projects are such

that there must be a continuing dialogue between the HEP staff and the grantees to assure high levels of performance. The site visit is an opportunity for a personal part of that dialogue. While site visits traditionally have been conducted to assure compliance with statutes and program regulations, the emphasis in the future will be on performance in line with the project and program objectives.

Site visits are an excellent opportunity to provide technical assistance to the grantee visited. This assistance can take the form of suggestions on how to improve the operation of the project, provide information on similar projects that are successful and can be used as models, or explain aspects of the program regulations or operations with which the grantee may not be familiar. Some site visits will be conducted by HEP program officers. Others will be conducted by or under the auspices of Area Representatives. The grantee should not take as mandatory any suggestions made during a site visit unless they are said to be required by the grantee's program officer who has direct responsibility for the project being visited.

Program Assessments

The information gathered through monitoring individual projects will be aggregated and analyzed periodically by PMIT staff on a program basis to develop state-of-the-program reports for the appropriate HEP managers. These reports will not address individual projects, but will describe the strengths of the program, its perceived weaknesses, and changes that have occurred since the last report, as well as provide an overall summary of how the program is meeting its performance goals, and provide suggestions for program improvement.

These reports will be designed to assist the program staff and HEP senior management take administrative and management actions to make the programs more effective, develop the annual performance reports to be

sent to Congress, and create budget justifications. They can also assist the grantees to gain a better idea of how their projects contribute to the overall program goals and how they fare compared to the program as a whole.

Program Evaluations

Program evaluations are the third and most global level of program assessments. GPRA defines a program evaluation as "an assessment, through objective measurement and systematic analysis, of the manner and extent to which federal programs achieve intended objectives." In a sense, they highlight the "bottom line" for federal programs, by providing the data needed to understand the extent to which legislated programs are having an impact on the problems, usually national in scope, that they are funded to address.

HEP's program managers are cognizant of the problems facing American higher education, such as the extent to which high school dropout rates are changing, first-generation Americans are enrolling in and graduating from college, instructional programs are being modified, educational opportunities are increasing and the quality of education being enhanced. Moreover, although data frequently have not been available, program managers are generally intuitively aware of what specific accomplishments are taking place in the programs for which they are responsible. What remains elusive is the ability to determine a direct or even infer an associative relationship between HEP's programmatic activities and changes in the social and economic environment. This is what the GPRA refers to as the impacts of the program. Since broad-scale changes usually are the result of a variety of forces and since federal agencies have not traditionally been asked to link program activities to issues of long-term impact, data are not generally maintained that can clarify the relationships between program activities and intended results.

Program evaluations should not be equated with performance monitoring. The latter involves the ongoing review of performance data to manage program performance. Program evaluations, on the other hand, are intended to illuminate broader, longer-term aspects of program performance. While monitoring is done by or under the direct control of the HEP staff, program evaluations, especially those dealing with long-term impacts, are often done by third parties, who are experts in the analytical methodologies of evaluation, working in conjunction with the HEP staff. These broader, in-depth evaluations are often coordinated by or done under the auspices of the Department's Planning and Evaluation Service.

The combination of assessment vehicles -- the monitoring of individual projects, developing periodic program assessments through an increasingly accurate system of performance measurement, and occasional program evaluations -- should provide grantees and the HEP program staff with the information required to improve, on a continuing basis, both project and program performance and to better meet the needs of the students and institutions they serve.

Role of the Grantee

In its effort to manage for results, HEP needs the assistance of its grantees -- those closest to the delivery of program services -- to provide the objective information and data necessary to demonstrate results. This outreach holds the promise of a transformation in the way HEP and its grantees do business, as both parties will be evaluated by the extent to which they contribute to clear, tangible results.

If GPRA truly is to be effective in enhancing the performance of government programs, there must be a candid assessment of how the programs, and, in turn, the projects they support, are performing. This can best be provided by the grantees, who have first-hand experience about the efficacy of the performance goals, evidence of the various levels of performance, knowledge of the availability and ease of obtaining certain categories of data, and insights into additional outcomes of their activities. In this sense, the requirement that performance information be obtained from those closest to the outcomes has the potential to provide relevant insight into education programs that will greatly benefit everyone.

Performance measures can serve not only as a means to assess a program's or project's success and report on its results, but also as a tool to guide the development and operation of the program or project. With the information obtained, HEP managers and project directors can reassess their approaches and make more informed decisions on modifying their strategies, improving their processes, redesigning their organizational structures, enhancing customer service delivery, and generally engaging in continuous improvement activities to improve the overall performance of their programs and projects.

Grantees can be of assistance in this process by working with HEP program staff to identify the most important factors that are truly critical to a program's success, identify the appropriate level of annual performance for each output, suggest ways to reformulate the performance indicators when needed, and provide the qualitative and quantitative evidence of their individual project's achievements. This information, which will be

collected on a project basis and used as such to improve project performance, will be aggregated and reported to Congress and the public on a program level.

The focus of the dialogue between HEP staff and its grantees must be on how to achieve and demonstrate results. Grantees have the responsibility to decide how to structure their own projects and what emphasis to place on various elements of their strategies. Each grantee, however, must also be able to provide evidence that a working, effective approach is in place and that their project is achieving what it purports to do.

Over the next five years, those programs that can show a continual increase in program performance while maintaining control over resources will clearly be more valued by both Department and congressional decision makers. In like manner, to the extent that a grantee can develop innovative approaches that improve performance, or can identify methods of significantly controlling costs, or a combination of both, the project is certain to receive a more favorable evaluation than one that continues to allocate dollars at a constant or increasing rate, despite varying levels of performance. In this environment, increased success will come to those grantees that are able to maintain control over resource utilization, continually improve implementation strategies, and demonstrate that their project's performance is contributing to the performance goal of the overall program.

The requirements of GPRA necessitate that HEP create an annual performance plan for its programs, in which it specifies the outcomes to be achieved, the indicators of success and the strategies to be followed, as well as provide an annual performance report to the Congress. These requirements create a basis for a dialogue between HEP and its grantees about performance, accountability and demonstrating the achievements that will improve their projects and programs and greatly benefit the students they serve.

The dialogue will be taken up by HEP managers and program officers. With differences in statutory authorities, purposes, constituents, regulations, and histories of past developments among the many programs for which HEP has stewardship, the requirements and ways in which HEP staff and grantees can work together no doubt will vary from program to program.

Conclusion

The Government Performance and Results Act has created a "bottom line" for federal programs by requiring a performance report to be submitted annually. This report should become the basis for an on-going dialogue with Congress concerning the impact of the higher education programs on American education. Further, the report, which will reflect the Department of Education's perspective on performance-related matters such as funding, mitigating external factors, and suggested legislative changes, will be the most definitive exposition of agency performance available, and will thereby affect the agenda for authorization and appropriations hearings, as well as the informal consultations with Congress and its staff.

Performance monitoring and reporting, when fully implemented, will significantly enhance the knowledge of members of Congress on issues pertinent to higher education. In such an environment, the dialogue should shift dramatically from one in which the expenditure of additional funds is requested because of the need of a particular constituent group to one in which a continued or an enhanced investment is justified by the effect programs have on targeted populations and on American education. Such a change in approach will reflect a substantial transformation in the management and impact of HEP programs.

In bringing the improved new methods of program accountability to the federal government, the Results Act represents the latest in a long series of efforts to manage federal programs to improve their performance and results. Given the dramatic challenges facing public governance as we enter the 21st Century, GPRA offers those committed to the ideal of public accountability for the expenditure of public funds an unprecedented opportunity to link high-minded program goals with a clearer idea of the resources needed and a means of assigning responsibility for the delivery of those goals. By any measure, this will be a significant step forward.

The HEP grantees are essential partners with the program staff in responding to the requirements of the Government Performance and

Results Act. It is only by working in collaboration that we can fully achieve the aims of the Congress and the President in establishing and funding the various higher education programs, and demonstrate that we are doing so.

This brief booklet is the basis for a dialogue between the Office of Higher Education Programs, its staff and the grantees of its programs. It is part of an effort to determine what we will do, how we will do it, and what we will accomplish. As partners, we can improve the quality and extent of the higher education received by students throughout America.

Glossary

Activity

The work performed by the grantee that directly produces the project's products and services. Example: class hours conducted.

Impact

The degree to which broad social objectives are achieved as a direct result of program expenditures. Example: percent of students from low-income families who graduate college and are employed in their field of study, compared to students from high-income families.

Input

The resources (human, financial, equipment, supplies and other) that the grantee uses to produce its outputs. Example: dollars expended.

Outcome

The degree to which the accomplishment of program goals can be attributed to program outputs. It is a consequence of what a program did, rather than what the program did directly. Example: number of students who receive support services in high school who enroll in college.

Output

The products, services and other direct results of the project or program activities. Example: students who complete the training.

Performance Indicator

A target level of performance expressed in measurable terms, against which actual achievement can be compared. Example: student retention rates will increase 1% annually for each of the next five years.

Performance Measure

A characteristic or metric that can be used to assess performance aspects of a program or project. Examples: dollars expended, students enrolled, grade point average, number of job offers received.

Program Goal

A broad aim that the program strives to achieve through the expenditure of its appropriated funds. Example: to increase the percentage of low-income students who enroll in and complete a college education.

Program Objective

A specific aim, the achievement of which contributes to the attainment of the program's goal. Example: to assure that low-income students are aware of financial aid programs for which they are eligible.

For Further Information

The Strategic Plan for the Department of Education can be found on the World Wide Web at the Internet address:

http://www.ed.gov/pubs/StratPln/

and the specific program goals and performance indicators for all HEP programs can be found in the Department's Annual Performance Plan at the Internet address:

http://www.ed.gov/pubs/AnnualPlan/

For specific information about how the Government Performance and Results Act might affect your project, contact your HEP Program Officer, who has the primary responsibility for overseeing the projects under his or her control.

For more general information about the Act, how site visits of projects will be conducted, or about HEP programs in general, you may contact the HEP/PMIT Area Representative for your state. These individuals are:

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